(b) whether the accounting standards framed by Malegam Committee have been made binding on the auditing firms;

(c) if so, since when these standards came into operation; and

(d) if not, the reasons for delay in making the standard binding on the accounting firms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) The required information is being collected and will be laid on the Table of the House.

Regulation of NBFCs

4284. SHRI SATISH PRADHAN:
SHRI P. PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether some leading financial and agro-based plantation companies have failed/refused to return money to the investors even on the maturity of their deposits;

(b) if so, what is Government's reaction thereto and the steps taken or proposed to be taken in this regard;

(c) whether Government are setting up any regulatory body to control the activities of the fly-by-night companies playing havoc with the deposits from small depositors; and

(d) if so, by when, and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) It had come to the notice of the regulatory authorities concerned that several entities had failed to meet their obligations.

SEBI has debarred several entities, their promoters/directors/managers/ persons in-charge of business of their schemes from operating in the capital market for a period of 5 years. On 22nd January, 2002, the Delhi High Court ordered the freezing of bank accounts of 513 erring entities running collective investment schemes and their directors/promoters till they comply with SEBI's directions regarding repayment to their investors.

Measures taken by DCA include prosecution and liquidation proceedings. The Companies Act, 1956 has been amended for the protection of small investors/ depositors.

RBI has been taking various measures to provide reasonable safety for funds deposited with NBFCs.

Amendment of SEBI Act, 1992

4285. SHRI K. RAMA MOHANA RAO.
SHRI C. RAMACHANDRAIAH:
SHRI RAMA MUNI REDDY SIRIGIREDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are seriously thinking of amending the SEBI Act, 1992, empowering the Regulator to impound the proceeds and securities in suspected transactions as well as to attach bank accounts of intermediaries or persons involved in market violation;

(b) whether Government also propose to give investigative powers to SEBI;

(c) if so, the details thereof; and

(d) by when Government propose to bring it before Parliament for its approval?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Government has initiated examination of possible legislative changes to further strengthen provisions in the Securities and Exchange Board of India (SEBI) Act, 1992 for investor protection and to make SEBI an even more effective body for regulation and development of capital markets.

FEMA cases against MD of Tata Finance Limited (TFL)

4286. SHRI BHAGATRAM MANHAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned, "Tata Finance provides more data to cops on Pendse", which appeared in the Business Standard, New Delhi on 3rd December, 2001;